



GOVERNOR ARNOLD SCHWARZENEGGER

November 3, 2005

The Honorable Richard Pombo
House of Representatives
Washington, DC 20515

Dear Mr. Pombo,

I write to provide input to the National Energy Supply Diversification and Disruption Prevention Act, a bill that was passed by the Committee on Resources and may soon be considered by the House of Representatives.

As you know, the waters within the Outer Continental Shelf off the coast of California are currently protected from any new oil and gas leasing by a federal moratorium. This moratorium has been in place for twenty four years and enjoys widespread support from the people of California, including bi-partisan support from elected leaders. When I ran for Governor I took a strong stance against any further oil or gas leasing in the Outer Continental Shelf off the coast of California, and called on the federal government to buy out the existing federal leases.

I oppose any efforts to weaken the federal moratorium for oil and gas leasing off the coast of California and I support efforts to make the moratoria and the Presidential deferrals for California permanent. I recognize the efforts you have made to provide states a larger role in leasing activities off their coast. However, states should not face hurdles to "opt-in" to a moratorium that has existed for almost a quarter of a century. In a letter to Congress on May 13, 2005, I stated this position in response to potential changes to California's protections in the federal energy bill. I continue to believe that California reaps tremendous benefits from our ocean and coastal environments. I am unwilling to put this environment at risk for the sake of new energy exploration in the Outer Continental Shelf and continue to support the permanent protection of these waters.

I do recognize that in California and the nation, we suffer from high energy prices. Prices of gasoline and natural gas have risen dramatically in the last year as demand has steadily increased, while supply has grown more slowly, or in some places declined. In California we have taken several steps to address this situation. In terms of natural gas, California recently passed the most aggressive energy efficiency measures in the nation. In the next three years, California's utilities will commit \$2 billion towards energy efficiency programs. These investments will result in \$5 billion worth of energy savings for both residential and business customers.

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Half of California's electrical generation is powered by natural gas power plants. To help diversify California's electric generation fleet and reduce our reliance on natural gas, we are also aggressively promoting the use of renewable energy. I have called for California's utilities to acquire 20 percent of their power from renewable sources by 2010 and 33 percent by 2020. These are but a few of the many steps California is taking to increase our supply and reduce our demand of natural gas.

As Congress considers legislation to increase energy supplies, I would ask that it respect California's desire to continue the current federal outer continental shelf moratorium off our coastline. I would also encourage Congress to aggressively support policies that increase the efficiency of our energy use. These policies have proved to be extremely successful in California, from an economic and environmental standpoint. Indeed, over the last quarter of a century, California's per capita electricity use has remained nearly flat, while nationwide demand has increased 50 percent. Whether it is electricity, natural gas or transportation fuels, gains in energy efficiency can temper energy demand, hold down consumer prices and reduce the environmental damage associated with traditional energy sources.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger", with a stylized, cursive script.

Arnold Schwarzenegger

cc: The California Congressional Delegation